I certify this to be a true and correct copy of the indicated document as referred or transmitted to committee.

Chief Clerk of the House

FILED MAR - 7 2007

By: Definition Stiller

<u>Н</u>.в. No. <u>3035</u>

A BILL TO BE ENTITLED

Т	AN ACT
2	relating to the authority of physicians and chiropractors to form
3	certain entities.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Subchapter B, Chapter 22, Business Organizations
6	Code, is amended by adding Section 22.0561 to read as follows:
7	Sec. 22.0561. CORPORATIONS FORMED BY PHYSICIANS AND
8	CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board
9	and chiropractors licensed by the Texas Board of Chiropractic
10	Examiners may form a corporation that is jointly owned, managed,
11	and controlled by those practitioners to perform a professional
12	service that falls within the scope of practice of those
13	practitioners and consists of:
14	(1) carrying out research in the public interest in
15	medical science, medical economics, public health, sociology, or a
16	related field;
17	(2) supporting medical education in medical schools
18	through grants or scholarships;
19	(3) developing the capabilities of individuals or
20	institutions studying, teaching, or practicing medicine or
21	<pre>chiropractic;</pre>
22	(4) delivering health care to the public; or
23	(5) instructing the public regarding medical science,
24	public health, hygiene, or a related matter.

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(b) When physicians and chiropractors form a corporation
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    that is jointly owned by those practitioners, the authority of each
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    of the practitioners is limited by the scope of practice of the
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    respective practitioners and none can exercise control over the
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    other's clinical authority granted by their respective licenses,
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    either through agreements, the certificate of formation or bylaws
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    of the corporation, directives, financial incentives, or other
    arrangements that would assert control over treatment decisions
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    made by the practitioner. The Texas Medical Board and the Texas
9
    Board of Chiropractic Examiners continue to exercise regulatory
10
11
    authority over their respective licenses.
          SECTION 2. Subchapter
12
                                          Chapter
                                    В,
                                                     152,
                                                             Business
    Organizations Code, is amended by adding Section 152.0551 to read
13
14
    as follows:
          Sec. 152.0551. PARTNERSHIPS FORMED BY PHYSICIANS AND
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    CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board
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     and chiropractors licensed by the Texas Board of Chiropractic
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    Examiners may create a partnership that is jointly owned by those
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    practitioners to perform a professional service that falls within
20
     the scope of practice of those practitioners.
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           (b) When physicians and chiropractors create a partnership
    that is jointly owned by those practitioners, the authority of each
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of the practitioners is limited by the scope of practice of the

respective practitioners and none can exercise control over the

other's clinical authority granted by their respective licenses,

either through agreements, bylaws, directives, financial

incentives, or other arrangements that would assert control over

- 1 treatment decisions made by the practitioner.
- 2 (c) The Texas Medical Board and the Texas Board of
- 3 Chiropractic Examiners continue to exercise regulatory authority
- 4 over their respective licenses.
- 5 SECTION 3. Section 301.012, Business Organizations Code, is
- 6 amended by adding Subsection (a-1) and amending Subsection (f) to
- 7 read as follows:
- 8 <u>(a-1) Persons licensed as physicians by the Texas Medical</u>
- 9 Board and persons licensed as chiropractors by the Texas Board of
- 10 Chiropractic Examiners may jointly form and own a professional
- 11 association or a professional limited liability company to perform
- 12 professional services that fall within the scope of practice of
- 13 those practitioners.
- (f) When doctors of medicine, osteopathy, and podiatry,
- 15 [ex] doctors of medicine, osteopathy, and optometry or therapeutic
- 16 optometry, [ex] mental health professionals, or physicians and
- 17 chiropractors form a professional entity as provided by Subsections
- 18 (a), (a-1), (b), and (c), the authority of each of the practitioners
- 19 is limited by the scope of practice of the respective practitioners
- 20 and none can exercise control over the other's clinical authority
- 21 granted by their respective licenses, either through agreements,
- 22 bylaws, directives, financial incentives, or other arrangements
- 23 that would assert control over treatment decisions made by the
- 24 practitioner.
- 25 SECTION 4. Article 2.01, Texas Non-Profit Corporation Act
- 26 (Article 1396-2.01, Vernon's Texas Civil Statutes), is amended by
- 27 amending Subsection B and adding Subsections E and F to read as

1 follows:

- B. This Act shall not apply to any corporation, nor may any
- 3 corporation be organized under this Act or obtain authority to
- 4 conduct its affairs in this State under this Act:
- 5 (1) If any one or more of its purposes for the conduct
- of its affairs in this State is expressly forbidden by any law of
- 7 this State.
- 8 (2) If any one or more of its purposes for the conduct
- 9 of its affairs in this State is to engage in any activity which
- 10 cannot lawfully be engaged in without first obtaining a license
- 11 under the authority of the laws of this State to engage in such
- 12 activity and such license cannot lawfully be granted to a
- 13 corporation, except as provided by <u>Subsections</u> [Subsection] C and
- 14 <u>F</u>.
- 15 (3) If any one or more of its purposes for the conduct
- 16 of its affairs in this State is to organize Group Hospital Service,
- 17 Rural Credit Unions, Agricultural and Livestock Pools, Mutual Loan
- 18 Corporations, Co-operative Credit Associations, Farmers'
- 19 Co-operative Societies, Co-operative Marketing Act Corporations,
- 20 Rural Electric Co-operative Corporations, Telephone Co-operative
- 21 Corporations, or fraternal organizations operating under the lodge
- 22 system and heretofore or hereafter incorporated under Articles 1399
- 23 through 1407, both inclusive, of Revised Civil Statutes of Texas,
- 24 1925.
- 25 (4) If any one or more of its purposes for the conduct
- of its affairs in this State is to operate a bank under the banking
- laws of this State or to operate an insurance company of any type or

- 1 character that operates under the insurance laws of this State.
- E. Physicians licensed by the Texas Medical Board and
- 3 chiropractors licensed by the Texas Board of Chiropractic Examiners
- 4 may organize a nonprofit corporation under this Act that is jointly
- 5 owned, managed, and controlled by those practitioners to perform a
- 6 professional service that falls within the scope of practice of
- 7 those practitioners and consists of:
- 8 (1) carrying out research in the public interest in
- 9 medical science, medical economics, public health, sociology, or a
- 10 related field;
- 11 (2) supporting medical education in medical schools
- 12 through grants or scholarships;
- 13 (3) developing the capabilities of individuals or
- 14 institutions studying, teaching, or practicing medicine or
- 15 chiropractic;
- 16 (4) delivering health care to the public; or
- 17 (5) instructing the public regarding medical science,
- 18 public health, hygiene, or a related matter.
- 19 F. When physicians and chiropractors organize a nonprofit
- 20 corporation that is jointly owned by those practitioners, the
- 21 authority of each of the practitioners is limited by the scope of
- 22 practice of the respective practitioners and none can exercise
- 23 control over the other's clinical authority granted by their
- 24 respective licenses, either through agreements, articles of
- 25 <u>incorporation</u>, bylaws, directives, financial incentives, or other
- 26 arrangements that would assert control over treatment decisions
- 27 made by the practitioner. The Texas Medical Board and the Texas

- 1 Board of Chiropractic Examiners continue to exercise regulatory
- 2 <u>authority over their respective licenses.</u>
- 3 SECTION 5. Subsection (B), Section 2, Texas Professional
- 4 Association Act (Article 1528f, Vernon's Texas Civil Statutes), is
- 5 amended by adding Subdivision (2-a) and amending Subdivision (4) to
- 6 read as follows:
- 7 (2-a) Physicians licensed by the Texas Medical Board
- 8 and chiropractors licensed by the Texas Board of Chiropractic
- 9 Examiners may form an association that is jointly owned by those
- 10 practitioners to perform a professional service that falls within
- 11 the scope of practice of those practitioners.
- 12 (4) When doctors of medicine, osteopathy, and
- 13 podiatry, [ex] mental health professionals, or physicians and
- 14 <u>chiropractors</u> form an association that is jointly owned by those
- 15 practitioners, the authority of each of the practitioners is
- 16 limited by the scope of practice of the respective practitioners
- 17 and none can exercise control over the other's clinical authority
- 18 granted by their respective licenses, either through agreements,
- 19 bylaws, directives, financial incentives, or other arrangements
- 20 that would assert control over treatment decisions made by the
- 21 practitioner. The state agencies exercising regulatory control
- 22 over professions to which this subdivision applies continue to
- 23 exercise regulatory authority over their respective licenses.
- 24 SECTION 6. Subsection A, Article 11.01, Texas Limited
- 25 Liability Company Act (Article 1528n, Vernon's Texas Civil
- 26 Statutes), is amended by amending Subdivision (2) and adding
- 27 Subdivision (5) to read as follows:

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(2) Except as provided by Subdivisions (3), [and] (4),
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and (5) of this subsection, a professional limited liability 2

3 company:

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4 (a) may be organized under this Act only for the

purpose of rendering one specific type of professional service and

6 ancillary services; and

7 not render than one kind of may more

8 professional service.

9 (5) Physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners 10 may organize a professional limited liability company that is 11 12 jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those

practitioners. When physicians and chiropractors organize a

15 professional limited liability company that is jointly owned by

those practitioners, the authority of each of the practitioners is

17 limited by the scope of practice of the respective practitioners

and none can exercise control over the other's clinical authority

granted by their respective licenses, either through agreements,

20 bylaws, directives, financial incentives, or other arrangements

that would assert control over treatment decisions made by the 21

22 practitioner. The Texas Medical Board and the Texas Board of

23 Chiropractic Examiners continue to exercise regulatory authority

24 over their respective licenses.

25 SECTION 7. Section 2.02, Texas Revised Partnership Act

(Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended by 26

27 adding Subsection (f) to read as follows:

1 (f) Authority of Physicians and Chiropractors to Create Partnership. Physicians licensed by the Texas Medical Board and 2 3 chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those 4 5 practitioners to perform a professional service that falls within 6 the scope of practice of those practitioners. When physicians and chiropractors create a partnership that is jointly owned by those 7 practitioners, the authority of each of the practitioners is 8 9 limited by the scope of practice of the respective practitioners and none can exercise control over the other's clinical authority 10 granted by their respective licenses, either through agreements, 11 bylaws, directives, financial incentives, or other arrangements 12 that would assert control over treatment decisions made by the 13 practitioner. The Texas Medical Board and the Texas Board of 14 Chiropractic Examiners continue to exercise regulatory authority 15 over their respective licenses. 16 SECTION 8. This Act takes effect immediately if it receives

SECTION 8. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

HOUSE COMMITTEE REPORT OF AFR 28 PM 1: 55

1st Printing

OUSE OF REPRESENTATIVE

By: Turner

H.B. No. 3035

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the authority of physicians and chiropractors to form
3	certain entities.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5 :	SECTION 1. Subchapter B, Chapter 22, Business Organizations
6 .	Code, is amended by adding Section 22.0561 to read as follows:
7	Sec. 22.0561. CORPORATIONS FORMED BY PHYSICIANS AND
8	CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board
9	and chiropractors licensed by the Texas Board of Chiropractic
10	Examiners may form a corporation that is jointly owned, managed,
11	and controlled by those practitioners to perform a professional
12	service that falls within the scope of practice of those
13	<pre>practitioners and consists of:</pre>
14	(1) carrying out research in the public interest in
15	medical science, medical economics, public health, sociology, or a
16	related field;
17	(2) supporting medical education in medical schools
18	through grants or scholarships;
19	(3) developing the capabilities of individuals or
20	institutions studying, teaching, or practicing medicine or
21	chiropractic;
22	(4) delivering health care to the public; or
23	(5) instructing the public regarding medical science,
24	public health, hygiene, or a related matter.

- (b) When physicians and chiropractors form a corporation 1 that is jointly owned by those practitioners, the authority of each 2 3 of the practitioners is limited by the scope of practice of the 4 respective practitioners and none can exercise control over the 5 other's clinical authority granted by their respective licenses, either through agreements, the certificate of formation or bylaws 6 7 of the corporation, directives, financial incentives, or other 8 arrangements that would assert control over treatment decisions 9 made by the practitioner. The Texas Medical Board and the Texas Board of Chiropractic Examiners continue to exercise regulatory 10 11 authority over their respective licenses.
- SECTION 2. Subchapter B, Chapter 152, Business
 Organizations Code, is amended by adding Section 152.0551 to read
 as follows:
- Sec. 152.0551. PARTNERSHIPS FORMED BY PHYSICIANS AND CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners.

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(b) When physicians and chiropractors create a partnership that is jointly owned by those practitioners, the authority of each of the practitioners is limited by the scope of practice of the respective practitioners and none can exercise control over the other's clinical authority granted by their respective licenses, either through agreements, bylaws, directives, financial incentives, or other arrangements that would assert control over

- 1 treatment decisions made by the practitioner.
- 2 (c) The Texas Medical Board and the Texas Board of
- 3 Chiropractic Examiners continue to exercise regulatory authority
- 4 over their respective licenses.
- 5 SECTION 3. Section 301.012, Business Organizations Code, is
- 6 amended by adding Subsection (a-1) and amending Subsection (f) to
- 7 read as follows:
- 8 (a-1) Persons licensed as physicians by the <u>Texas Medical</u>
- 9 Board and persons licensed as chiropractors by the Texas Board of
- 10 Chiropractic Examiners may jointly form and own a professional
- 11 association or a professional limited liability company to perform
- 12 professional services that fall within the scope of practice of
- 13 those practitioners.
- 14 (f) When doctors of medicine, osteopathy, and podiatry,
- 15 [or] doctors of medicine, osteopathy, and optometry or therapeutic
- 16 optometry, [or] mental health professionals, or physicians and
- 17 <u>chiropractors</u> form a professional entity as provided by Subsections
- 18 (a), (a-1), (b), and (c), the authority of each of the practitioners
- 19 is limited by the scope of practice of the respective practitioners
- 20 and none can exercise control over the other's clinical authority
- 21 granted by their respective licenses, either through agreements,
- 22 bylaws, directives, financial incentives, or other arrangements
- 23 that would assert control over treatment decisions made by the
- 24 practitioner.
- 25 SECTION 4. Article 2.01, Texas Non-Profit Corporation Act
- 26 (Article 1396-2.01, Vernon's Texas Civil Statutes), is amended by
- 27 amending Subsection B and adding Subsections E and F to read as

- 1 follows:
- B. This Act shall not apply to any corporation, nor may any
- 3 corporation be organized under this Act or obtain authority to
- 4 conduct its affairs in this State under this Act:
- 5 (1) If any one or more of its purposes for the conduct
- of its affairs in this State is expressly forbidden by any law of
- 7 this State.
- 8 (2) If any one or more of its purposes for the conduct
- 9 of its affairs in this State is to engage in any activity which
- 10 cannot lawfully be engaged in without first obtaining a license
- 11 under the authority of the laws of this State to engage in such
- 12 activity and such license cannot lawfully be granted to a
- 13 corporation, except as provided by <u>Subsections</u> [Subsection] C and
- 14 F.
- 15 (3) If any one or more of its purposes for the conduct
- 16 of its affairs in this State is to organize Group Hospital Service,
- 17 Rural Credit Unions, Agricultural and Livestock Pools, Mutual Loan
- 18 Corporations, Co-operative Credit Associations, Farmers'
- 19 Co-operative Societies, Co-operative Marketing Act Corporations,
- 20 Rural Electric Co-operative Corporations, Telephone Co-operative
- 21 Corporations, or fraternal organizations operating under the lodge
- 22 system and heretofore or hereafter incorporated under Articles 1399
- 23 through 1407, both inclusive, of Revised Civil Statutes of Texas,
- 24 1925.
- 25 (4) If any one or more of its purposes for the conduct
- of its affairs in this State is to operate a bank under the banking
- 27 laws of this State or to operate an insurance company of any type or

- 1 character that operates under the insurance laws of this State.
- 2 E. Physicians licensed by the Texas Medical Board and
- 3 chiropractors licensed by the Texas Board of Chiropractic Examiners
- 4 may organize a nonprofit corporation under this Act that is jointly
- 5 owned, managed, and controlled by those practitioners to perform a
- 6 professional service that falls within the scope of practice of
- 7 those practitioners and consists of:
- 8 (1) carrying out research in the public interest in
- 9 medical science, medical economics, public health, sociology, or a
- 10 related field;
- 11 (2) supporting medical education in medical schools
- through grants or scholarships;
- 13 (3) developing the capabilities of individuals or
- 14 institutions studying, teaching, or practicing medicine or
- 15 chiropractic;
- 16 (4) delivering health care to the public; or
- 17 (5) instructing the public regarding medical science,
- 18 public health, hygiene, or a related matter.
- F. When physicians and chiropractors organize a nonprofit
- 20 corporation that is jointly owned by those practitioners, the
- 21 authority of each of the practitioners is limited by the scope of
- 22 practice of the respective practitioners and none can exercise
- 23 control over the other's clinical authority granted by their
- 24 respective licenses, either through agreements, articles of
- 25 incorporation, bylaws, directives, financial incentives, or other
- 26 arrangements that would assert control over treatment decisions
- 27 made by the practitioner. The Texas Medical Board and the Texas

- 1 Board of Chiropractic Examiners continue to exercise regulatory
- 2 <u>authority over their respective licenses.</u>
- 3 SECTION 5. Subsection (B), Section 2, Texas Professional
- 4 Association Act (Article 1528f, Vernon's Texas Civil Statutes), is
- 5 amended by adding Subdivision (2-a) and amending Subdivision (4) to
- 6 read as follows:
- 7 (2-a) Physicians licensed by the Texas Medical Board
- 8 and chiropractors licensed by the Texas Board of Chiropractic
- 9 Examiners may form an association that is jointly owned by those
- 10 practitioners to perform a professional service that falls within
- 11 the scope of practice of those practitioners.
- 12 (4) When doctors of medicine, osteopathy, and
- 13 podiatry, [ex] mental health professionals, or physicians and
- 14 <u>chiropractors</u> form an association that is jointly owned by those
- 15 practitioners, the authority of each of the practitioners is
- 16 limited by the scope of practice of the respective practitioners
- 17 and none can exercise control over the other's clinical authority
- 18 granted by their respective licenses, either through agreements,
- 19 bylaws, directives, financial incentives, or other arrangements
- 20 that would assert control over treatment decisions made by the
- 21 practitioner. The state agencies exercising regulatory control
- 22 over professions to which this subdivision applies continue to
- 23 exercise regulatory authority over their respective licenses.
- 24 SECTION 6. Subsection A, Article 11.01, Texas Limited
- 25 Liability Company Act (Article 1528n, Vernon's Texas Civil
- 26 Statutes), is amended by amending Subdivision (2) and adding
- 27 Subdivision (5) to read as follows:

- 1 (2) Except as provided by Subdivisions (3), [and] (4),
- 2 and (5) of this subsection, a professional limited liability
- 3 company:
- 4 (a) may be organized under this Act only for the
- 5 purpose of rendering one specific type of professional service and
- 6 ancillary services; and
- 7 (b) may not render more than one kind of
- 8 professional service.
- 9 (5) Physicians licensed by the Texas Medical Board and
- 10 chiropractors licensed by the Texas Board of Chiropractic Examiners
- 11 may organize a professional limited liability company that is
- 12 jointly owned by those practitioners to perform a professional
- 13 service that falls within the scope of practice of those
- 14 practitioners. When physicians and chiropractors organize a
- 15 professional limited liability company that is jointly owned by
- 16 those practitioners, the authority of each of the practitioners is
- 17 limited by the scope of practice of the respective practitioners
- 18 and none can exercise control over the other's clinical authority
- 19 granted by their respective licenses, either through agreements,
- 20 bylaws, directives, financial incentives, or other arrangements
- 21 that would assert control over treatment decisions made by the
- 22 practitioner. The Texas Medical Board and the Texas Board of
- 23 Chiropractic Examiners continue to exercise regulatory authority
- 24 <u>over their respective licenses.</u>
- 25 SECTION 7. Section 2.02, Texas Revised Partnership Act
- 26 (Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended by
- 27 adding Subsection (f) to read as follows:

1 (f) Authority of Physicians and Chiropractors to Create 2 Partnership. Physicians licensed by the Texas Medical Board and 3 chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those 4 5 practitioners to perform a professional service that falls within the scope of practice of those practitioners. When physicians and 6 7 chiropractors create a partnership that is jointly owned by those 8 practitioners, the authority of each of the practitioners is limited by the scope of practice of the respective practitioners 9 10 and none can exercise control over the other's clinical authority 11 granted by their respective licenses, either through agreements, bylaws, directives, financial incentives, or other arrangements 12 that would assert control over treatment decisions made by the 13 14 practitioner. The Texas Medical Board and the Texas Board of Chiropractic Examiners continue to exercise regulatory authority 15 16 over their respective licenses. This Act takes effect immediately if it receives SECTION 8.

SECTION 8. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

COMMITTEE REPORT

The Honorable Tom Craddick Speaker of the House of Representatives

4/24/07 (date)

Sir: We, your COMMITTEE ON BUSINESS AND INDUSTRY to whom was referred <u>#B 3035</u> have had the same under consideration and beg to report back with the recommendation that it 🙀 do pass, without amendment.) do pass, with amendment(s). () do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure. yes () no A fiscal note was requested. () yes 🙀 no A criminal justice policy impact statement was requested. no An equalized educational funding impact statement was requested.) yes 🖄 no An actuarial analysis was requested.) yes 😡 no A water development policy impact statement was requested. () yes (no A tax equity note was requested. () The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars. For Senate Measures: House Sponsor ____ Joint Sponsors: ___ Co-Sponsors: ___ The measure was reported from Committee by the following vote: **ABSENT** AYE NAY **PNV** Giddings, Chair Elkins, Vice-chair Darby, CBO Bailey Bohac Castro Martinez Solomons Zedler **Total** aye nay CHAIR present, not voting

absent

BILL ANALYSIS

H.B. 3035 By: Turner Business & Industry Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, physicians and chiropractors are not allowed to organize, manage, and co-own corporations, limited liability companies, non-profit corporations, and partnerships for the purpose of providing professional health care services. House Bill 3035 authorizes physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners to organize, manage, and co-own corporations, limited liability companies, non-profit corporations, and partnerships for the purpose of providing professional health care services.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

House Bill 3035 amends the Business Organizations Code to authorize physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners to organize, manage, and co-own corporations, professional associations, professional limited liability corporations, or partnerships for the purpose of providing professional health care services. The bill sets forth what services fall within the scope of practice of those practitioners.

H.B. 3035 amends Article 2.01, Texas Non-Profit Corporation Act to authorize physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners to organize, manage, and co-own non-profit corporations for the purpose of providing professional health care services.

H.B. 3035 amends the Texas Professional Association Act, the Texas Limited Liability Company Act, and the Texas Revised Partnership Act to make conforming changes.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

SUMMARY OF COMMITTEE ACTION

HB 3035

April 17, 2007 2:00 PM or upon final adjourn./recess

Considered in public hearing

Testimony taken in committee (See attached witness list.)

Left pending in committee

April 24, 2007 2:00 PM or upon final adjourn./recess

Considered in public hearing

Reported favorably without amendment(s)

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WITNESS LIST

HB 3035 HOUSE COMMITTEE REPORT Business & Industry Committee

April 17, 2007 - 2:00 PM or upon final adjourn./recess

For:

Klein, Dr. Franz (Texas Chiropractic Association)

Registering, but not testifying:

For

Berry, Jordan (Texas Chiropractic Association)

Kanz, Dr. Kevin D. (Self and No testimony Texas Chiropractic Assn.)

LEGISLATIVE BUDGET BOARD Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION Revision 1

April 16, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3035 by Turner (Relating to the authority of physicians and chiropractors to form certain entities.), As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Business Organizations Code relating to the authority of physicians and chiropractors to form certain entities. Based on the analysis of the Board of Chiropractic Examiners and the Texas Medical Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 508 Board of Chiropractic Examiners

LBB Staff: JOB, JRO, NV

LEGISLATIVE BUDGET BOARD Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3035 by Turner (Relating to the authority of physicians and chiropractors to form certain entities.), As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Occupations Code relating to the authority of physicians and chiropractors to form certain entities. Based on the analysis of the Board of Chiropractic Examiners and the Texas Medical Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 508 Board of Chiropractic Examiners

LBB Staff: JOB, JRO, NV

SECOND READING ENGROSSMENT

By: Turner H.B. No. 3035

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the authority of physicians and chiropractors to form
3	certain entities.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Subchapter B, Chapter 22, Business Organizations
6	Code, is amended by adding Section 22.0561 to read as follows:
7	Sec. 22.0561. CORPORATIONS FORMED BY PHYSICIANS AND
8	CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board
9	and chiropractors licensed by the Texas Board of Chiropractic
10	Examiners may form a corporation that is jointly owned, managed,
11	and controlled by those practitioners to perform a professional
12	service that falls within the scope of practice of those
13	practitioners and consists of:
14	(1) carrying out research in the public interest in
15	medical science, medical economics, public health, sociology, or a
16	related field;
17	(2) supporting medical education in medical schools
18	through grants or scholarships;
19	(3) developing the capabilities of individuals or
20	institutions studying, teaching, or practicing medicine or
21	<pre>chiropractic;</pre>
2.2	(4) delivering health care to the public; or
23	(5) instructing the public regarding medical science,
24	public health, hygiene, or a related matter.

- 1 (b) When physicians and chiropractors form a corporation 2 that is jointly owned by those practitioners, the authority of each 3 of the practitioners is limited by the scope of practice of the respective practitioners and none can exercise control over the 4 5 other's clinical authority granted by their respective licenses, 6 either through agreements, the certificate of formation or bylaws 7 of the corporation, directives, financial incentives, or other 8 arrangements that would assert control over treatment decisions made by the practitioner. The Texas Medical Board and the Texas 9 10 Board of Chiropractic Examiners continue to exercise regulatory 11 authority over their respective licenses.
- SECTION 2. Subchapter B, Chapter 152, Business
 Organizations Code, is amended by adding Section 152.0551 to read
 as follows:
- Sec. 152.0551. PARTNERSHIPS FORMED BY PHYSICIANS AND CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners.
- 21 (b) When physicians and chiropractors create a partnership
 22 that is jointly owned by those practitioners, the authority of each
 23 of the practitioners is limited by the scope of practice of the
 24 respective practitioners and none can exercise control over the
 25 other's clinical authority granted by their respective licenses,
 26 either through agreements, bylaws, directives, financial
 27 incentives, or other arrangements that would assert control over

- 1 treatment decisions made by the practitioner.
- 2 (c) The Texas Medical Board and the Texas Board of
- 3 Chiropractic Examiners continue to exercise regulatory authority
- 4 over their respective licenses.
- 5 SECTION 3. Section 301.012, Business Organizations Code, is
- 6 amended by adding Subsection (a-1) and amending Subsection (f) to
- 7 read as follows:
- 8 (a-1) Persons licensed as physicians by the Texas Medical
- 9 Board and persons licensed as chiropractors by the Texas Board of
- 10 Chiropractic Examiners may jointly form and own a professional
- 11 association or a professional limited liability company to perform
- 12 professional services that fall within the scope of practice of
- 13 those practitioners.
- (f) When doctors of medicine, osteopathy, and podiatry,
- 15 [or] doctors of medicine, osteopathy, and optometry or therapeutic
- 16 optometry, [ex] mental health professionals, or physicians and
- chiropractors form a professional entity as provided by Subsections
- (a), (a-1), (b), and (c), the authority of each of the practitioners
- is limited by the scope of practice of the respective practitioners
- 20 and none can exercise control over the other's clinical authority
- 21 granted by their respective licenses, either through agreements,
- 22 bylaws, directives, financial incentives, or other arrangements
- 23 that would assert control over treatment decisions made by the
- 24 practitioner.
- 25 SECTION 4. Article 2.01, Texas Non-Profit Corporation Act
- 26 (Article 1396-2.01, Vernon's Texas Civil Statutes), is amended by
- 27 amending Subsection B and adding Subsections E and F to read as

- 1 follows:
- B. This Act shall not apply to any corporation, nor may any
- 3 corporation be organized under this Act or obtain authority to
- 4 conduct its affairs in this State under this Act:
- 5 (1) If any one or more of its purposes for the conduct
- of its affairs in this State is expressly forbidden by any law of
- 7 this State.
- 8 (2) If any one or more of its purposes for the conduct
- 9 of its affairs in this State is to engage in any activity which
- 10 cannot lawfully be engaged in without first obtaining a license
- 11 under the authority of the laws of this State to engage in such
- 12 activity and such license cannot lawfully be granted to a
- 13 corporation, except as provided by Subsections [Subsection] C and
- 14 \underline{F} .
- 15 (3) If any one or more of its purposes for the conduct
- of its affairs in this State is to organize Group Hospital Service,
- 17 Rural Credit Unions, Agricultural and Livestock Pools, Mutual Loan
- 18 Corporations, Co-operative Credit Associations, Farmers'
- 19 Co-operative Societies, Co-operative Marketing Act Corporations,
- 20 Rural Electric Co-operative Corporations, Telephone Co-operative
- 21 Corporations, or fraternal organizations operating under the lodge
- 22 system and heretofore or hereafter incorporated under Articles 1399
- 23 through 1407, both inclusive, of Revised Civil Statutes of Texas,
- 24 1925.
- 25 (4) If any one or more of its purposes for the conduct
- of its affairs in this State is to operate a bank under the banking
- laws of this State or to operate an insurance company of any type or

- 1 character that operates under the insurance laws of this State.
- 2 E. Physicians licensed by the Texas Medical Board and
- 3 chiropractors licensed by the Texas Board of Chiropractic Examiners
- 4 may organize a nonprofit corporation under this Act that is jointly
- 5 owned, managed, and controlled by those practitioners to perform a
- 6 professional service that falls within the scope of practice of
- 7 those practitioners and consists of:
- 8 (1) carrying out research in the public interest in
- 9 medical science, medical economics, public health, sociology, or a
- 10 related field;
- 11 (2) supporting medical education in medical schools
- 12 through grants or scholarships;
- 13 (3) developing the capabilities of individuals or
- 14 institutions studying, teaching, or practicing medicine or
- 15 chiropractic;
- 16 (4) delivering health care to the public; or
- 17 (5) instructing the public regarding medical science,
- 18 public health, hygiene, or a related matter.
- F. When physicians and chiropractors organize a nonprofit
- 20 corporation that is jointly owned by those practitioners, the
- 21 authority of each of the practitioners is limited by the scope of
- 22 practice of the respective practitioners and none can exercise
- 23 control over the other's clinical authority granted by their
- 24 respective licenses, either through agreements, articles of
- 25 incorporation, bylaws, directives, financial incentives, or other
- 26 arrangements that would assert control over treatment decisions
- 27 made by the practitioner. The Texas Medical Board and the Texas

- 1 Board of Chiropractic Examiners continue to exercise regulatory
- 2 authority over their respective licenses.
- 3 SECTION 5. Subsection (B), Section 2, Texas Professional
- 4 Association Act (Article 1528f, Vernon's Texas Civil Statutes), is
- 5 amended by adding Subdivision (2-a) and amending Subdivision (4) to
- 6 read as follows:
- 7 (2-a) Physicians licensed by the Texas Medical Board
- 8 and chiropractors licensed by the Texas Board of Chiropractic
- 9 Examiners may form an association that is jointly owned by those
- 10 practitioners to perform a professional service that falls within
- 11 the scope of practice of those practitioners.
- 12 (4) When doctors of medicine, osteopathy, and
- 13 podiatry, [er] mental health professionals, or physicians and
- 14 <u>chiropractors</u> form an association that is jointly owned by those
- 15 practitioners, the authority of each of the practitioners is
- 16 limited by the scope of practice of the respective practitioners
- 17 and none can exercise control over the other's clinical authority
- 18 granted by their respective licenses, either through agreements,
- 19 bylaws, directives, financial incentives, or other arrangements
- 20 that would assert control over treatment decisions made by the
- 21 practitioner. The state agencies exercising regulatory control
- 22 over professions to which this subdivision applies continue to
- 23 exercise regulatory authority over their respective licenses.
- SECTION 6. Subsection A, Article 11.01, Texas Limited
- 25 Liability Company Act (Article 1528n, Vernon's Texas Civil
- 26 Statutes), is amended by amending Subdivision (2) and adding
- 27 Subdivision (5) to read as follows:

- 1 (2) Except as provided by Subdivisions (3), [and] (4),
- 2 and (5) of this subsection, a professional limited liability
- 3 company:
- 4 (a) may be organized under this Act only for the
- 5 purpose of rendering one specific type of professional service and
- 6 ancillary services; and
- 7 (b) may not render more than one kind of
- 8 professional service.
- 9 (5) Physicians licensed by the Texas Medical Board and
- 10 chiropractors licensed by the Texas Board of Chiropractic Examiners
- 11 may organize a professional limited liability company that is
- 12 jointly owned by those practitioners to perform a professional
- 13 service that falls within the scope of practice of those
- 14 practitioners. When physicians and chiropractors organize a
- 15 professional limited liability company that is jointly owned by
- 16 those practitioners, the authority of each of the practitioners is
- 17 limited by the scope of practice of the respective practitioners
- 18 and none can exercise control over the other's clinical authority
- 19 granted by their respective licenses, either through agreements,
- 20 bylaws, directives, financial incentives, or other arrangements
- 21 that would assert control over treatment decisions made by the
- 22 practitioner. The Texas Medical Board and the Texas Board of
- 23 Chiropractic Examiners continue to exercise regulatory authority
- 24 over their respective licenses.
- 25 SECTION 7. Section 2.02, Texas Revised Partnership Act
- 26 (Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended by
- 27 adding Subsection (f) to read as follows:

H.B. No. 3035

1 (f) Authority of Physicians and Chiropractors to Create 2 Partnership. Physicians licensed by the Texas Medical Board and 3 chiropractors licensed by the Texas Board of Chiropractic Examiners 4 may create a partnership that is jointly owned by those 5 practitioners to perform a professional service that falls within 6 the scope of practice of those practitioners. When physicians and 7 chiropractors create a partnership that is jointly owned by those 8 practitioners, the authority of each of the practitioners is 9 limited by the scope of practice of the respective practitioners and none can exercise control over the other's clinical authority 10 11 granted by their respective licenses, either through agreements, bylaws, directives, financial incentives, or other arrangements 12 13 that would assert control over treatment decisions made by the practitioner. The Texas Medical Board and the Texas Board of 14 15 Chiropractic Examiners continue to exercise regulatory authority 16 over their respective licenses. SECTION 8. This Act takes effect immediately if it receives 17

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a vote of two-thirds of all the members elected to each house, as

provided by Section 39, Article III, Texas Constitution. If this

Act does not receive the vote necessary for immediate effect, this

Act takes effect September 1, 2007.

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HOUSE ENGROSSMENT

By: Turner

H.B. No. 3035

A BILL TO BE ENTITLED

1	AN ACT
2,	relating to the authority of physicians and chiropractors to form
3	certain entities.
4⁵	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Subchapter B, Chapter 22, Business Organizations
6	Code, is amended by adding Section 22.0561 to read as follows:
7	Sec. 22.0561. CORPORATIONS FORMED BY PHYSICIANS AND
8	CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board
9	and chiropractors licensed by the Texas Board of Chiropractic
10	Examiners may form a corporation that is jointly owned, managed,
11	and controlled by those practitioners to perform a professional
12	service that falls within the scope of practice of those
13	practitioners and consists of:
14	(1) carrying out research in the public interest in
15	medical science, medical economics, public health, sociology, or a
16	related field;
17	(2) supporting medical education in medical schools
18	through grants or scholarships;
19	(3) developing the capabilities of individuals or
20	institutions studying, teaching, or practicing medicine or
21	chiropractic;
22	(4) delivering health care to the public; or
23	(5) instructing the public regarding medical science,
24	public health, hygiene, or a related matter.

H.B. No. 3035

- 1 (b) When physicians and chiropractors form a corporation 2 that is jointly owned by those practitioners, the authority of each 3 of the practitioners is limited by the scope of practice of the respective practitioners and none can exercise control over the 4 5 other's clinical authority granted by their respective licenses, 6 either through agreements, the certificate of formation or bylaws 7 of the corporation, directives, financial incentives, or other arrangements that would assert control over treatment decisions 8 made by the practitioner. The Texas Medical Board and the Texas 9 Board of Chiropractic Examiners continue to exercise regulatory 10 authority over their respective licenses. 11
- SECTION 2. Subchapter B, Chapter 152, Business
 Organizations Code, is amended by adding Section 152.0551 to read
 as follows:
- Sec. 152.0551. PARTNERSHIPS FORMED BY PHYSICIANS AND CHIROPRACTORS. (a) Physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners.
- 21 (b) When physicians and chiropractors create a partnership
 22 that is jointly owned by those practitioners, the authority of each
 23 of the practitioners is limited by the scope of practice of the
 24 respective practitioners and none can exercise control over the
 25 other's clinical authority granted by their respective licenses,
 26 either through agreements, bylaws, directives, financial
 27 incentives, or other arrangements that would assert control over

- 1 treatment decisions made by the practitioner.
- 2 (c) The Texas Medical Board and the Texas Board of
- 3 Chiropractic Examiners continue to exercise regulatory authority
- 4 over their respective licenses.
- 5 SECTION 3. Section 301.012, Business Organizations Code, is
- 6 amended by adding Subsection (a-1) and amending Subsection (f) to
- 7 read as follows:
- 8 (a-1) Persons licensed as physicians by the Texas Medical
- 9 Board and persons licensed as chiropractors by the Texas Board of
- 10 Chiropractic Examiners may jointly form and own a professional
- 11 association or a professional limited liability company to perform
- 12 professional services that fall within the scope of practice of
- 13 <u>those practitioners.</u>
- (f) When doctors of medicine, osteopathy, and podiatry,
- 15 [ex] doctors of medicine, osteopathy, and optometry or therapeutic
- 16 optometry, [ex] mental health professionals, or physicians and
- 17 <u>chiropractors</u> form a professional entity as provided by Subsections
- 18 (a), (a-1), (b), and (c), the authority of each of the practitioners
- 19 is limited by the scope of practice of the respective practitioners
- 20 and none can exercise control over the other's clinical authority
- 21 granted by their respective licenses, either through agreements,
- 22 bylaws, directives, financial incentives, or other arrangements
- 23 that would assert control over treatment decisions made by the
- 24 practitioner.
- 25 SECTION 4. Article 2.01, Texas Non-Profit Corporation Act
- 26 (Article 1396-2.01, Vernon's Texas Civil Statutes), is amended by
- 27 amending Subsection B and adding Subsections E and F to read as

- 1 follows:
- B. This Act shall not apply to any corporation, nor may any
- 3 corporation be organized under this Act or obtain authority to
- 4 conduct its affairs in this State under this Act:
- 5 (1) If any one or more of its purposes for the conduct
- 6 of its affairs in this State is expressly forbidden by any law of
- 7 this State.
- 8 (2) If any one or more of its purposes for the conduct
- 9 of its affairs in this State is to engage in any activity which
- 10 cannot lawfully be engaged in without first obtaining a license
- 11 under the authority of the laws of this State to engage in such
- 12 activity and such license cannot lawfully be granted to a
- corporation, except as provided by <u>Subsections</u> [Subsection] C and
- 14 $\underline{\mathbf{F}}$.
- 15 (3) If any one or more of its purposes for the conduct
- of its affairs in this State is to organize Group Hospital Service,
- 17 Rural Credit Unions, Agricultural and Livestock Pools, Mutual Loan
- 18 Corporations, Co-operative Credit Associations, Farmers'
- 19 Co-operative Societies, Co-operative Marketing Act Corporations,
- 20 Rural Electric Co-operative Corporations, Telephone Co-operative
- 21 Corporations, or fraternal organizations operating under the lodge
- 22 system and heretofore or hereafter incorporated under Articles 1399
- 23 through 1407, both inclusive, of Revised Civil Statutes of Texas,
- 24 1925.
- 25 (4) If any one or more of its purposes for the conduct
- of its affairs in this State is to operate a bank under the banking
- laws of this State or to operate an insurance company of any type or

- character that operates under the insurance laws of this State. 1
- 2 E. Physicians licensed by the Texas Medical Board and
- chiropractors licensed by the Texas Board of Chiropractic Examiners 3
- may organize a nonprofit corporation under this Act that is jointly 4
- owned, managed, and controlled by those practitioners to perform a 5
- professional service that falls within the scope of practice of 6
- 7 those practitioners and consists of:
- 8 (1) carrying out research in the public interest in
- medical science, medical economics, public health, sociology, or a 9
- 10 related field;
- 11 (2) supporting medical education in medical schools
- through grants or scholarships; 12
- 13 (3) developing the capabilities of individuals or
- institutions studying, teaching, or practicing medicine or 14
- 15 chiropractic;

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- 16 (4) delivering health care to the public; or
- 17 (5) instructing the public regarding medical science,
- public health, hygiene, or a related matter. 18
- F. When physicians and chiropractors organize a nonprofit 19
- corporation that is jointly owned by those practitioners, the
- authority of each of the practitioners is limited by the scope of 21
- practice of the respective practitioners and none can exercise 22
- control over the other's clinical authority granted by their 23
- respective licenses, either through agreements, articles of 24
- incorporation, bylaws, directives, financial incentives, or other 25
- arrangements that would assert control over treatment decisions 26
- made by the practitioner. The Texas Medical Board and the Texas 27

- 1 Board of Chiropractic Examiners continue to exercise regulatory
- 2 <u>authority over their respective licenses.</u>
- 3 SECTION 5. Subsection (B), Section 2, Texas Professional
- 4 Association Act (Article 1528f, Vernon's Texas Civil Statutes), is
- 5 amended by adding Subdivision (2-a) and amending Subdivision (4) to
- 6 read as follows:
- 7 (2-a) Physicians licensed by the Texas Medical Board
- 8 and chiropractors licensed by the Texas Board of Chiropractic
- 9 Examiners may form an association that is jointly owned by those
- 10 practitioners to perform a professional service that falls within
- 11 the scope of practice of those practitioners.
- 12 (4) When doctors of medicine, osteopathy, and
- 13 podiatry, [ex] mental health professionals, or physicians and
- 14 chiropractors form an association that is jointly owned by those
- 15 practitioners, the authority of each of the practitioners is
- limited by the scope of practice of the respective practitioners
- 17 and none can exercise control over the other's clinical authority
- 18 granted by their respective licenses, either through agreements,
- 19 bylaws, directives, financial incentives, or other arrangements
- 20 that would assert control over treatment decisions made by the
- 21 practitioner. The state agencies exercising regulatory control
- 22 over professions to which this subdivision applies continue to
- 23 exercise regulatory authority over their respective licenses.
- 24 SECTION 6. Subsection A, Article 11.01, Texas Limited
- 25 Liability Company Act (Article 1528n, Vernon's Texas Civil
- 26 Statutes), is amended by amending Subdivision (2) and adding
- 27 Subdivision (5) to read as follows:

- 1 (2) Except as provided by Subdivisions (3), [and] (4),
- 2 and (5) of this subsection, a professional limited liability
- 3 company:
- 4 (a) may be organized under this Act only for the
- 5 purpose of rendering one specific type of professional service and
- 6 ancillary services; and
- 7 (b) may not render more than one kind of
- 8 professional service.
- 9 (5) Physicians licensed by the Texas Medical Board and
- 10 <u>chiropractors licensed by the Texas Board of Chiropractic Examiners</u>
- 11 may organize a professional limited liability company that is
- 12 jointly owned by those practitioners to perform a professional
- 13 service that falls within the scope of practice of those
- 14 practitioners. When physicians and chiropractors organize a
- 15 professional limited liability company that is jointly owned by
- 16 those practitioners, the authority of each of the practitioners is
- 17 limited by the scope of practice of the respective practitioners
- 18 and none can exercise control over the other's clinical authority
- 19 granted by their respective licenses, either through agreements,
- 20 bylaws, directives, financial incentives, or other arrangements
- 21 that would assert control over treatment decisions made by the
- 22 practitioner. The Texas Medical Board and the Texas Board of
- 23 Chiropractic Examiners continue to exercise regulatory authority
- 24 <u>over their respective licenses.</u>
- 25 SECTION 7. Section 2.02, Texas Revised Partnership Act
- 26 (Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended by
- 27 adding Subsection (f) to read as follows:

H.B. No. 3035

(f) Authority of Physicians and Chiropractors to Create Partnership. Physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners may create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners. When physicians and chiropractors create a partnership that is jointly owned by those practitioners, the authority of each of the practitioners is limited by the scope of practice of the respective practitioners and none can exercise control over the other's clinical authority granted by their respective licenses, either through agreements, bylaws, directives, financial incentives, or other arrangements that would assert control over treatment decisions made by the practitioner. The Texas Medical Board and the Texas Board of Chiropractic Examiners continue to exercise regulatory authority over their respective licenses. SECTION 8. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this

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Act does not receive the vote necessary for immediate effect, this

Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION Revision 1

April 16, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3035 by Turner (Relating to the authority of physicians and chiropractors to form certain entities.), As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Business Organizations Code relating to the authority of physicians and chiropractors to form certain entities. Based on the analysis of the Board of Chiropractic Examiners and the Texas Medical Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 508 Board of Chiropractic Examiners

LBB Staff: JOB, JRO, NV

LEGISLATIVE BUDGET BOARD Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3035 by Turner (Relating to the authority of physicians and chiropractors to form certain

entities.), As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend the Occupations Code relating to the authority of physicians and chiropractors to form certain entities. Based on the analysis of the Board of Chiropractic Examiners and the Texas Medical Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 508 Board of Chiropractic Examiners

LBB Staff: JOB, JRO, NV

80TH LEGISLATURE

A2435 Coleman

Date

A2800 Escobar

COAUTHOR AUTHORIZATION

(please request your coauthors to sign this form

in lieu of the front or the back of the original bill)

MAR - 7 2007 signature of primary author printed name of primary author Date <u> ე</u>0ე5 PERMISSION TO SIGN HAS BEEN GIVEN TO (check only one of the following): (bill or resolution #) ALL REPRESENTATIVES THE FOLLOWING REPRESENTATIVE(S): I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above: 4. A2100 Allen A2450 Cook, Byron Date Date A2795 Farabee Date A2125 Alonzo A2565 Cook, Robby Date Date A2820 Farias Date A2150 Anchia A2595 Corte Date A2810 Farrar Date Date A2155 Anderson A2605 Crabb ij Date Date A2840 Flores Date A2145 Aycock A2610 Craddick Date Date A2850 Flynn Date Ì A2160 Bailey A2615 Creighton Date Date A2860 Frost Date A2640 Crownover A2205 Berman Date Date A2920 Gallego Date A2230 Bohac A2645 Darby Date Date A2915 Garcia Date A2240 Bolton A2620 Davis, John Date Date A2960 Gattis · Date A2250 Bonnen A2625 Davis, Yvonne Date Date A2945 Geren Date 1 A2280 Branch Date A2680 Delisi Date A2935 Giddings Date 1 A2265 Brown, Betty Date A2690 Deshotel Date A2910 Gonzales Date A2270 Brown, Fred Date A2705 Driver Date A4660 Gonzalez Toureilles Date A2255 Burnam A2990 Goolsby A2665 Dukes Date Date Date . A2295 Callegari Date A2660 Dunnam Date A3045 Guillen Date į) A3035 Haggerty A2495 Castro Date A2650 Dutton Date Date A2585 Chavez Date A2775 Eiland Date A3050 Hamilton Date A2480 Chisum A2780 Eissler A3100 Hancock Date Date Date A2525 Christian A3160 Hardcastle . A2785 Elkins Date Date /Date A2425 Cohen Date A2805 England Date A3150 Harless Date

Bill or Resolution Number: HB 3035

A3165 Harper-Brown

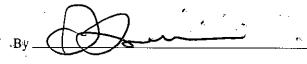
Date

Date

A3170 Hartnett	Date	A3730 Mallory Caraway	Date	A4185 Pitts	Date
A3175 Heflin	Date	A3780 Martinez	Date	A4200 Puente	Date
A3155 Hernandez	Date	A2835 Martinez Fischer	Date	A4230 Quintanilla	Date
A3140 Herrero	Date	A3665 McCall	Date	A4215 Raymond	Date
A3250 Hilderbran	Date	A3650 McClendon	Date	A4220 Riddle	Date
A3275 Hill	Date	A3845 McReynolds	Date	A4250 Ritter	Date
A3305 Hochberg	Date	A3830 Menendez	Date	A4270 Rodriguez	Date
A3290 Hodge	Date	A3840 Merritt	Date	A4350 Rose	Date
A3325 Homer	Date	A3825 Miles	Date	A4525 Smith, Todd	Date
A3330 Hopson	Date	A3835 Miller	Date	A4540 Smith, Wayne	Date
A3315 Howard, Charlie	Date	A3860 Moreno	Date	A4530 Smithee	Date
A3310 Howard, Donna	Date	A3870 Morrison	Date	A4505 Solomons	Date
A3340 Hughes	Date	A3865 Mowery	Date	A4545 Strama	Date
A3375 Isett	Date	A3875 Murphy	Date	A4565 Straus	Date
A3350 Jackson	Date	A3885 Naishtat	Date	A4570 Swinford	Date
A3405 Jones	Date	A3900 Noriega	Date	A4585 Talton	Date
A3480 Keffer	Date	A3890 O'Day		A4600 Taylor	Date
A3470 King, Phil	Date	A3880 Oliveira	Date	A4630 Thompson	Date
A3460 King, Susan		A3886 Olivo	Date	A4650 Truitt	
_				A4685 Turner	Date
A3465 King, Tracy	Date	A3930 Orr	Date		
A3495 Kolkhorst	Date	A3940 Ortiz, Jr.	Date	A4700 Van Arsdale	Date
A3485 Krusee	Date .	A3945 Otto	Date	A4780 Vaught	Date
A3450 Kuempel	Date	A4090 Parker	Date	A4725 Veasey	Date
A3520 Latham	Date	A4050 Patrick	Date	A4800 Villarreal	Date
A3540 Laubenberg	Date	A4100 Paxton	Date	A4900 Vo	Date
A3560 Leibowitz	Date	A4140 Pena	Date	A4995 West	Date
A3610 Lucio, III	Date	A4160 Phillips	Date	A5005 Woolley	Date
A3705 Macias	Date	A4180 Pickett	Date	A5150 Zedler	Date
A3715 Madden	Date	A3240 Pierson :	Date	A5170 Zerwas	Date

A BILL TO BE ENTITLED

Filed with the Chief Clerk



relating to the authority of physicians and chiropractors to form certain entities.

MAR 1 9 2007	Read first time and referred to Committee on Besides and Industry
APR 2 4 2007	Reportedfavorably (favorably (
APR 3 0 2007	Sent to Committee on (Calendars)
MAY 1 0 2007	Read second time (comm. subst.) (a present third reading (failed) by a (non-record vote) (record vote of present, not roding)
asaV 1 1 2007	Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of yeas, nays, present, not voting
MAY 1 1 2007	Read third time (amended); finally passed (full d tapass) by a (star-record vote) (record vote of
MAY 1 3 2007	
MAY 1 4 2007	Sent to Senate Kolet Haney
OTHER HOUSE ACTIO	CHIEF CLERK OF THE HOUSE N:
•	
MAY 1 4 2007	Received from the House
MAY 1 5 2007	Read and referred to Committee on HEALTH & HUMAN SERVICES
	Reported favorably
	Reported adversely, with favorable Committee Substitute; Committee Substitute read first time
· .	Ordered not printed
<u>.</u>	Laid before the Senate
	Senate and Constitutional Rules to permit consideration suspended by (unanimous consent) (
	Read second time,, and passed to third reading by (unanimous consent) (a viva voce vote) (yeas, nays)
	Senate and Constitutional 3 Day Rules suspended by a vote of yeas, nays
•	Read third time,, and passed by a (viva voce vote)
	(yeas, nays)
	Returned to the House
OTHER SENATE ACTIO	SECRETARY OF THE SENATE

<u>.</u>	Returned from the Senate (as substituted) (with amendments)				
	House concurred in Senate amendments by a (non-record vote) (record vote of yeas, nays, present, not voting)				
- 1	House refused to concur in Senate amendments and requested the appointment of a conference committee by a (non-record vote) (record vote of yeas, nays, present, not voting				
-	House conferees appointed:, Chair;,				
	Senate granted House request. Senate conferees appointed:, Chair;				
·	Conference committee report adopted (rejected) by the House by a (non-record vote) (record vote of yeas, nays, present, not voting)				
	Conference committee report adopted (rejected) by the Senate by a (viva voce vote)				